



## **Questions and Answers for:**

# **Home-Based Business**

## **Master Business License**

### **Department of Consumer and Regulatory Affairs**

The Master Business License Program streamlines the District's licensing procedures and requires all District businesses with \$2,000 or more in gross receipts, including non-profit organizations, to obtain a Master Business License.

#### **1. Who must get a Master Business License?**

Any business or individual, including a non-profit organization, that earns more than \$2,000 in gross receipts per year in the District.

#### **2. What is the deadline to get a Master Business License?**

All businesses that were previously not required to get a license are encouraged to obtain an MBL during the amnesty period, which ends at the end of August 2002. After the amnesty period, businesses that operate without an MBL may be subject to fines of up to \$500.

#### **3. How do I get a Master Business License?**

- Existing License Holders – Your license will be converted to a Master Business License through the renewal process. You do not have to worry about getting an application, you will receive a renewal form in the mail. As long as you have a current license after the amnesty period expires, even if it is not a Master Business License, you will not be subject to a fine.
- New Applicants -- Master A (businesses requiring an inspection or other preliminary approval) and Master B (all other businesses that do not fall under Master A, including most home-based businesses) – may obtain an application:
  - In person at DCRA's Business License Center, 941 N. Capitol Street, NE, Room 1100;
  - By applying online at the District's Business Resource Center, [www.brc.dc.gov](http://www.brc.dc.gov).\*

#### **4. What do I need to get a Master Business License?**

You will need to fulfill the following requirements in order to apply:

- a. Home Occupation Permit (HOP). If you work out of your home, you will need to obtain an HOP. Please see the attached fact sheet on Home Occupation Permits.

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\* Only certain Master Bs are available online at this time. Please contact the MBL Info Center at (202) 442-4311, or by email at [mbi.infocenter@dc.gov](mailto:mbi.infocenter@dc.gov), to find out which businesses are available.

- b. You must register with the Office of Tax and Revenue, and must show that you have filed an FR-500 for DC business tax. Please call (202) 727-4829 for more information, or visit the OTR website at [www.dccfo.com](http://www.dccfo.com).
- c. You must have a valid Federal Employee Identification Number (FEIN) or Social Security number.
- d. If you are a corporation, partnership or limited liability company you must be registered in the District and in good standing. For instructions on how to register, please go to [www.dcrs.dc.gov](http://www.dcrs.dc.gov) and click on "Corporate Registration."
- e. You must submit a Clean Hands Self-Certification attesting that you do not owe more than \$100 to the DC government. The form is included in the MBL application packet.

**5. How do I get a Federal Employee Identification Number (FEIN), also known as Tax Identification Number (TIN)?**

Online, please go to [www.brc.dc.gov](http://www.brc.dc.gov). By phone, call 1-800-829-3676 to request a Form SS-4. After you obtain and fill out the form, call 1-866-816-2065 to obtain your FEIN over the phone. Sole proprietors may use their Social Security numbers.

**6. What are the fees associated with the Master Business License?**

Fees vary depending upon the type of business activity. Contact the MBL Info Center for more information. The following fees apply to all Master Business Licenses:

- New Master Business License fee (\$25) or Renewal fee (\$15)
- Endorsement fee (\$5 each)
- Home Occupation Permit (\$50)

**7. How long is my MBL good for?**

Your Master Business License is valid for two years. You will receive a renewal form in the mail prior to your expiration date. The renewal fee is \$15, plus underlying license fee and endorsement fee, as applicable. HOPs remain valid as long as the ownership and use of premises remain the same, so therefore do not need to be renewed.

**8. Where can I get more information?**

- On the Internet – District's Business Resource Center, [www.brc.dc.gov](http://www.brc.dc.gov), or DCRA's website, [www.dcrs.dc.gov](http://www.dcrs.dc.gov).
- Email – [mbi.infocenter@dc.gov](mailto:mbi.infocenter@dc.gov).
- By Phone – Please call (202) 442-4311, Monday – Friday, 8:30 a.m. – 4:15 p.m.
- In Person – You may pick up applications at the Business License Center, located at 941 N. Capitol Street, NE, Room 1100, Monday – Friday, 8:30 a.m. – 4:15 p.m.

# HOME OCCUPATION PERMIT



The purpose of the Home Occupation Permit (HOP) is to allow an individual to conduct certain occupations in his or her principal residence, while at the same time protecting residential neighborhoods from possible adverse effects of such occupations. Title 11, Section 203 (Home Occupation), of the District of Columbia Municipal Regulations states that no person shall conduct a home occupation without a Home Occupation Permit. The one-time fee for the HOP is \$50.

A home occupation is a business, profession or other economic activity that is conducted full- or part-time in the principal residence of the person conducting the business. Examples of allowable uses as home occupations are general office use, tutoring of no more than five students at one time, sewing, fine arts activities, computer programming, cosmetologists and hair care providers, physicians and other licensed health care professionals.

Following are some basic conditions for a home occupation permit:

- No more than the larger of 25% of the floor area of the dwelling, or 250 square feet, can be used in the home occupation.
- No more than one person who is not a resident of the dwelling can be employed in the home occupation.
- No structural alterations to the interior of the dwelling are permitted for the occupation, if they would make it difficult to return the dwelling to exclusive residential use.
- No more than two vehicles can be used in the practice of the home occupation, and no more than 8 trips to the premises daily by visitors, customers and delivery persons are permitted. No more than 8 clients can be on the premises in any one-hour period. No parking or storage of commercial vehicles is permitted.
- One exterior sign, unlit and flush-mounted, of no more than 144 sq. in. is permitted.
- Any activity involving commercial food preparation is not considered a home occupation

A Bed and Breakfast facility is considered a home occupation, provided that the use is in a single-family building, breakfast is the only meal served, and, with some conditions, that there are no more than two sleeping rooms. Additional requirements apply if the dwelling is in a historic district.